

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 7/7/2015	(3) CONTACT/PHONE John Schwind 781-5092	
(4) SUBJECT Request to approve a contract with Med-Stops Medical Clinic, Inc. (doing business as Med+Stop Urgent Care Center) in an anticipated annual amount of \$155,000 for pre-employment medical exam services for an initial three (3) year term until July 6, 2018, to be automatically renewed under like terms for up to two (2) one (1) year periods thereafter. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a contract with Med+Stop Urgent Care Center in an anticipated annual amount of \$155,000 for pre-employment medical exam services to commence on July 6, 2015, for an initial three (3) year term until July 6, 2018, and to be automatically renewed under like terms for one (1) year periods thereafter, and instruct the Chairperson to sign.			
(6) FUNDING SOURCE(S) FC 408 – Self Insurance	(7) CURRENT YEAR FINANCIAL IMPACT Up to \$155,000	(8) ANNUAL FINANCIAL IMPACT Up to \$155,000	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001566		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Human Resources / John Schwind
781-5092

DATE: 7/7/2015

SUBJECT: Request to approve a contract with Med-Stops Medical Clinic, Inc. (doing business as Med+Stop Urgent Care Center) in an anticipated annual amount of \$155,000 for pre-employment medical exam services for an initial three (3) year term until July 6, 2018, to be automatically renewed under like terms for one (1) year periods thereafter. All Districts.

RECOMMENDATION

It is recommended that the Board approve a contract with Med+Stop Urgent Care Center in an anticipated annual amount of \$155,000 for pre-employment medical exam services to commence on July 6, 2015, for an initial three (3) year term until July 6, 2018, and to be automatically renewed under like terms for up to two (2) one (1) year periods thereafter, and instruct the Chairperson to sign.

DISCUSSION

In 2005 the County's Risk Management Division developed a pre-employment physical exam process that requires candidates to undergo job-specific, post-offer, pre-employment medical testing. This process was developed with the intent of improving employee safety, ensuring compliance with the Americans with Disabilities Act (ADA) laws, and reducing Workers' Compensation costs.

The administration of the pre-employment medical exam program is handled by staff in Human Resources. This program has been one of several important elements in the overall loss reduction efforts in Human Resources, and has also improved our ability to provide accommodations for employees with disabilities pursuant to ADA.

In December 2014, prior to expiration of the contract with our medical examination provider (Med+Stop), and in compliance with County Purchasing Policy, Human Resources sent out a Request for Proposals (RFP) for pre-employment medical exam services. One proposal was received, from the existing vendor, Med+Stop. Human Resources evaluated the proposal, and met with Dr. Roberts of Med+Stop to ensure that the facility would be able to accommodate the County's increased need for pre-employment physicals in a timely manner. Med+Stop was selected due to its experience with pre-employment medical testing and ability to receive employees at their local San Luis Obispo office.

The number of pre-employment medical exams is proportionate to the rate of hiring in the County. The County has seen a hiring increase of 76%, through the third quarter of FY 2014-2015, since FY 2009-10. Pre-employment exam costs fluctuate based on the type of positions that are being filled. A typical pre-employment medical exam consists of several tests costing approximately \$300. Pre-employment medical exam for physically demanding jobs, such as law enforcement or public works positions, fall in the top cost-tier of exams and cost approximately \$720. The following table shows the increase in hiring and costs for pre-employment physicals since 2009:

FY	# of new hires	cost
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2009-10	189	\$48,420
2010-11	241	\$57,700
2011-12	280	\$131,065
2012-13	353	\$132,033
2013-14	457	\$132,817
Projected:		
FY14/15	468	\$148,793

*Table shows actual hires, does not display examined candidates that discontinued the process

Based upon program usage data from 2012 to the present, and the current rate and composition of recruitments, we anticipate the current contract will not exceed \$155,000 per Fiscal Year.

The approval of this contract will enable the Human Resources Department to continue the pre-placement physical exam process and ensure that the County can continue to recruit and select the most qualified candidates for employment. Therefore, staff recommends that the Board approve the contract presented.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the contract as to form and legal effect. General Services also provided guidance in forming the attached contract.

FINANCIAL CONSIDERATIONS

Staff estimates that under the new contract with Med+Stop, the County's expense will continue to vary from year to year depending on hiring activity and staffing needs. The contract is for services paid per the attached fee structure, and thus is not a firm fixed price contract. However, based on current trends it is anticipated that total future annual costs for this contract will not exceed \$155,000.

Pre-placement Program costs have been budgeted in the adopted FY 2015-16 budget in Fund Center (FC) 408. Pre-placement Program costs are offset through lower Worker's Compensation Program costs, so the net effect of the program is positive for the FC 408 ISF.

RESULTS

The pre-placement medical examination program provides a means of assuring that employees are medically able to perform the duties of the job. A robust pre-employment physical program is one element of the County's injury and loss prevention structure, and as such contributes to fewer employee injuries. Additionally, such a program facilitates early accommodation of employees with disabilities, contributing to a diverse workforce as well as ADA compliance. Approval of this contract will ensure continued control of these factors.

ATTACHMENTS

1. Pre-employment Medical Exam Contract